

Explanatory Terms

Capital Works

Capital works are defined as building and engineering works that create an asset, as well as constructing or installing facilities and fixtures associated with, and forming an integral part of, those works. This definition focuses on capital projects where construction activity is required in order to create an asset. Capital works projects would typically include things like constructing buildings, constructing roads and bridges, installing large airconditioning plants or lifts, upgrading or extending existing buildings and major roadworks that upgrade existing roads.

The definition excludes capital items, which are capital purchases where no construction or fabrication is required, such as equipment and vehicles. Repairs and maintenance work is also excluded as this work relates to maintaining an existing asset in a workable condition and not to constructing or upgrading an asset.

New Works

New works are those projects which are approved to start in the 2004-05 financial year. Individual new works projects are recorded in this Budget Paper for projects over \$150 000 (major new works) with projects under \$150 000 (minor new works) being recorded in aggregate.

Revoted Works

Revote is the value of capital works programmed in previous years that are carried forward into 2004-05.

As construction of larger projects will often span more than one year, the works which are not completed at the end of the financial year are revoted out of that year and into the new budget year. These incomplete portions of the projects are referred to as revote items and are distinct from new works, which are new projects introduced to the capital works program in the budget year.

Repairs and Maintenance

Repairs and maintenance is work undertaken to maintain existing assets in working condition. Repairs and maintenance keeps an asset functioning at its current capacity and does not enhance the asset significantly or extend its useful life. This is in contrast to capital works on existing assets which will substantially change or improve the asset through expansion or upgrade.

Repairs and maintenance are operational expenses recorded by agencies. Repairs and maintenance grants may also be provided to non-government entities to enable these entities to maintain their assets.

Program Delivery

Program delivery comprises the indirect costs required to facilitate capital works projects. These costs include project management, development and design services and costs for plans. Program delivery costs are recorded individually for major works projects and are added to the value of the capital asset as it is constructed.

Capital Grants

Capital grants are provided to fund the construction or upgrade of assets that are owned by non-government entities (grant recipients). Works may either be managed by the grant recipient (to which the grant is provided directly) or by the Department of Infrastructure, Planning and Environment, in which case grant funds are held by the Department and the asset handed over to the grant recipient on completion of construction.

Government Owned Corporation

A Government Owned Corporation is a corporatised commercial entity within the terms of the *Government Owned Corporations Act* and is not included in the budget sector due to its commercial nature. PowerWater is the Territory's one Government Owned Corporation.

Committal Target Date

The committal target date gives an indication of the likely date that a project will commence, with design work and planning completed and the tendering process under way. It should be noted that this date is the best assessment that construction authorities are able to provide at Budget time and is subject to change. It can be affected by a number of factors in the preparatory stages that can change the timeframe, such as delays in obtaining clearances, weather conditions, design modifications and consultation processes.